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DEPARTMENT OF TRANSPORTATION plans to issue its proposed drug testing regulations for aviation personnel in the near future. Proposal is expected to require that pilots, crew members and ramp personnel submit to the tests. Testing will be required during pre-employment screening, during annual physicals, in the case of reasonable suspicion of drug use and when the employe is involved in an incident. Random testing also will be mandated.

TWO EMPLOYES of Chaparral Aviation, Inc., San Antonio, Tex., who started out to conduct a routine demonstration flight of a King Air 300, found themselves on foot in Mexico last month after the plane was hijacked. The two pilots had flown to McAllen, Tex. on Oct. 26 to meet several men supposedly interested in purchasing the plane, N300PK. After takeoff, the passengers pulled out weapons and ordered the plane flown to Mexico where it landed on an unimproved field. Pilots were ordered off and the hijackers flew away in the aircraft. Late last week Chaparral officials said the aircraft had been recovered by Mexican officials.

PROPOSAL to increase landing fees for general aviation aircraft at Boston's Logan Airport, which was due out last month (BA, Sept. 28/97), has yet to be released. The proposal is expected to include landing, terminal, and peak hour fees, and be approximately four times the current fee of $25. One report said total of the three separate charges could be as high as $130.

FAA NOW PLANNING TWO-YEAR DELAY IN FIRE-BLOCKING REGULATIONS

Federal Aviation Administration is planning to delay for two years the effective date of regulations requiring Part 135 operators to install fire-blocking materials in the passenger seat cushions of their aircraft (BA, Sept. 21/89). The current deadline for installation of the fire-blocking materials is Nov. 26, 1987, but FAA has been under intense pressure from air taxi and corporate aircraft operators to delay the effective date. Approximately six weeks ago agency officials told BA they planned only a one-year extension of the effective date, but said last week they are preparing to issue a two-year extension. They said under a "worst-case" scenario the revised regulation would provide an across-the-board one-year delay with a second year granted to operators able to demonstrate a legitimate need for additional time. FAA officials who now favor the two-year delay warned that the extension must be approved by a number of people within FAA and then reviewed by officials at the Transportation Department and Office of Management and Budget before it can be published in the Federal Register and become official. That could push the publication date very close to the current Nov. 26 deadline.

MCARTOR OPPOSES AIRPORT GA RESTRICTIONS, RAISES USER FEE ISSUE

FAA Administrator Allan McArtor expressed strong opposition last week to airport-imposed restrictions on general aviation and also said he believes the aviation industry would support increases in current user fees if additional money was needed to support FAA programs.

McArtor, in a meeting with reporters last Tuesday, was asked by BA about a proposal by Robert Aaronson, director of aviation for the Port Authority of New York and New Jersey, that would permit

(Continued on the following page)

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FAA WANTS EXISTING AIRCRAFT UPGRADED FOR FIRE SAFETY -- Federal Aviation Administration published a proposal that calls for the cargo and baggage compartments of existing aircraft to be upgraded to more effectively resist the spread of fire. The proposal calls for the Kevlar or Nomex liners in many current aircraft to be replaced with rigid fiberglass or comparable materials on sidewalls and ceilings on aircraft with compartments larger than 200 cubic feet that are inaccessible to crews in flight. There already are new fire safety standards for cargo and baggage areas that apply to future design aircraft.

Agency said that tests at its Technical Center show cloth and flexible fiberglass linings are ineffective in containing cargo compartment fires. It estimates that about half the affected aircraft are already equipped with liners that meet the new standards and that the cost of retrofit will range from $500 for most narrowbody aircraft to $30,000 for one type of widebody aircraft, with a total industry cost of $11 million. It said the proposal, published in the Nov. 5 Federal Register, will affect many existing airline, air taxi and commercial transports, including the 707, DC-8 and aircraft as small as the Saab 340, but not older propeller aircraft. Comment deadline on the proposal, which would give airlines two years to comply, is May 3.

BATCH-AIR PURCHASED BY GREENWICH COMPANY LTD. -- Batch-Air Inc. and Batch-Air Universal Inc., a Miami-based aircraft overhaul and engine service operation, has been purchased for "in excess of $30 million" by Greenwich Co. Ltd., Greenwich, Conn., a privately owned holding and investment firm. Eugene Conese, founder and chairman of the Greenwich firm and former president of Irvin Industries, said no changes were planned in Batch-Air's management or operations. Batch-Air's finances are not made public, but Conese said annual sales were "in excess of $60 million."

Greenwich Co., through common control, owns two other operating companies, Haskon Corp. and EPCO Technologies. Haskon, located in Taunton, Mass., designs and produces inflatable, aerodynamic, firewall and entry seals and structures for airframe manufacturers. "There will be some synergy, since Haskon supplies a lot of items to original equipment manufacturers, and Batch-Air has relations with the same airframe manufacturers," Conese said. Batch-Air, which employs about 650 people, specializes in the overhaul and repair of various Pratt & Whitney, Allison and General Electric engines, as well as maintenance, overhaul and repair for a variety of transport aircraft.

NORTH AMERICAN HOLDINGS UNIT BUYS BUTLER HEADQUARTERS -- North American Investment Realty, a unit of North American Holdings, has purchased the Montvale, N.J. headquarters of Butler International, a wholly-owned subsidiary of North American Ventures, Inc. Purchase price was $10 million. Headquarters include an 81,000-square-foot building and 16.9 acres of land. Proceeds from the sale will be used to pay back previous financing on the building of approximately $6.5 million, to pay capital gains taxes and to reduce NAVI's permanent financing by approximately $3 million, Edward Kopko, chairman and president of NAVI, said. Kopko said when Butler was acquired in January, "it was our intention to use the proceeds from the sale and leaseback of the Montvale facility to assist us in paying back a $20 million bridge loan. Due to favorable cash flow from the Butler operating facilities, we were able to pay off the loan in June." Butler said in September it was "studying ways to maximize shareholder value" and was reviewing "the potential public offering, sale or spinout of the various companies owned" (BA, Sept. 28/98).

AVIATION TRUST FUND BALANCE EXCEEDS $10 BILLION FOR FIRST TIME -- Balance in the Airport and Airway Trust Fund exceeded $10 billion at the end of August, the first time the balance in the fund has reached that level (see Treasury Department chart on back of page.)

Performance of the fund during the month was typical of the way it has operated for years, with substantially more money coming in than is being spent. Treasury collected $280.3 million in user tax revenues for the month of which $247.8 million, or 88.4 percent, came from the eight percent passenger ticket tax levied on commercial airline passengers. Expenditures for the month totaled $177.4 million, which included just over $89 million for airport improvement programs, $38.6 million for facilities and equipment, $5.9 million for research, engineering and development and $43.8 million, or 24.6 percent of total outlays, for FAA operations, which includes FAA salaries.

Approximately $4.4 billion, or slightly less than half of the $10 billion in the Trust Fund is obligated to pay for specific programs that FAA has approved but not yet funded. The remaining $5.6 billion uncommitted balance is available to pay for programs approved in the future.

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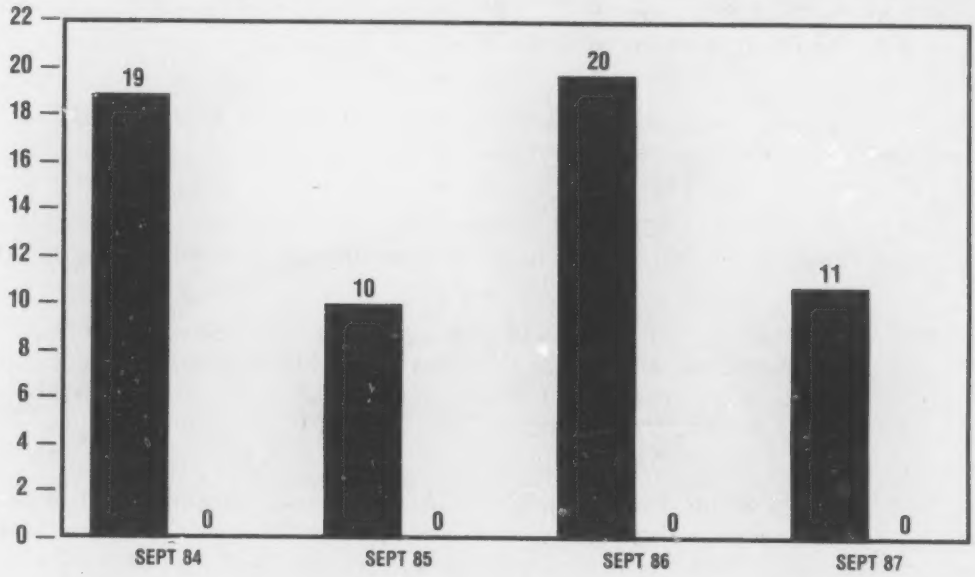
STATUS OF AIRPORT & AIRWAY TRUST FUND

AUGUST 31, 1987

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 9,945,130,689.39	$ 8,625,199,213.60
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	5,985,000.00	67,170,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	218,000.00	2,475,000.00
2. Non-commercial 9 cents tax	1,817,000.00	27,364,000.00
3. Non-commercial 3 cents tax	605,000.00	9,273,000.00
4. Transp by air,seats,berths,etc.	247,811,000.00	2,520,449,000.00
Use of international trav fac	9,545,000.00	84,563,000.00
Transp of property and cargo	14,331,000.00	146,786,000.00
Total Tax Receipts	280,312,000.00	2,858,080,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	170.00	61,990.00
2. Any liquid fuel except gas	30,520.00	3,353,050.00
3. Gasoline -Retailer's tax	0.00	2,902,180.00
4. Gasoline -Manufac. tax	0.00	270.00
Total Reimburse For Tax Refunds	30,690.00	6,317,490.00
Net Tax Receipts	280,281,310.00	2,851,762,510.00
C. Interest on Investments	2,279,602.03	873,027,020.93
Net Receipts	282,560,912.03	3,724,789,530.93
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	43,800,000.00	602,446,990.25
2. Grants-in-aid for airports	89,026,726.66	796,521,581.63
3. Facilities & equipment	38,659,630.40	733,599,504.64
4. Research engineering & development	5,943,249.40	145,391,523.05
B. NOAA weather services	0.00	21,750,000.00
C. Interest on Refund of Taxes	50.00	17,200.00
Total Expenditures	177,429,656.46	2,299,726,799.57
IV. BALANCE - END OF PERIOD	10,050,261,944.96	10,050,261,944.96

ASSETS :		
Undisbursed Balances:		$
Airport & Airway Trust Fund	276.83	
Operations	-1,625.59	
Grants-in-aid for Airports	-18,795,851.31	
Facilities & Equipment	35,879,054.66	
Research Engineering & Development	3,255,090.37	
NOAA weather services	0.00	
		$ 20,336,944.96
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
8-5/8% maturing June 30, 1988	$ 10,029,925,000.00	
		10,029,925,000.00
Total Assets		10,050,261,944.96
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 10,050,261,944.96
Total Liabilities and Equity		10,050,261,944.96

USED RETAIL TURBOPROP DELIVERIES - OUTSIDE NORTH AMERICA



MEDIUM

Turbo Commander (All Models)
Beech 90 King Air (All Models)
Beech 100 King Air (All Models)
Beech 200 King Air (All Models)
Beech 300 King Air (All Models)
Cessna 400 SRS Conversions
Cessna 425/441/406/435
Mitsubishi MU2 (All Models)
PA31T/PA42 Cheyenne (All Models)
Swearingen Merlin/Metro (All Models)

HEAVY

G159 Gulfstream 1
All Airliner Type Turboprops
Such as F-27 Friendship and similar type aircraft

SOURCE: AVDATA, INC., WICHITA, KS.

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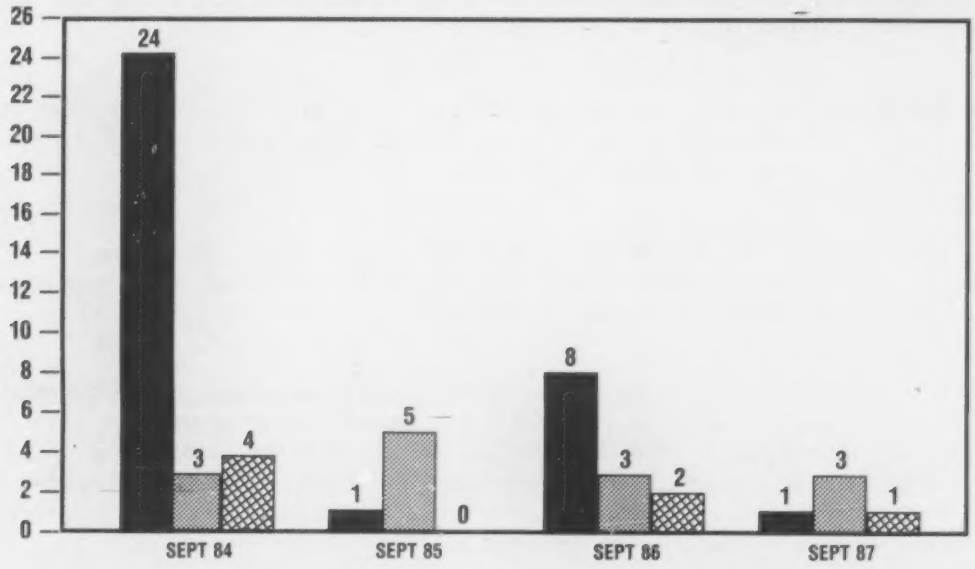
USED RETAIL JET DELIVERIES - OUTSIDE NORTH AMERICA



LIGHT	MEDIUM	HEAVY
SN601 Corvette	Citation 3	CL600/601 Challenger
Beechjet 400	Falcon 20/200	Falcon 50/900
Citation 1 + 2	BAE 125 (All Models)	G1159 Gulfstream 2/2B/3/4
Falcon 10 + 100	I.A.I. 1123/1124/1124A Westwind	Lockheed Jetstar (All Models)
I.A.I. 1121 A/B/C Commodore Jet	I.A.I. 1125 Astra	All Airliner Type Jets
Lear Jet 23/24/25/28/29/35/36	Lear Jet 55/55ER/55LR/55XLR/55C	Such as Boeing 707 and similar type aircraft
MU300 Diamond 1/1A/2	Saberliner (All Models)	
MS760 Paris Jet		

SOURCE: AVDATA, INC., WICHITA, KS.

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NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

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165a, 166a